

No. 532, S.]

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CHAPTER 355

AN ACT to renumber 100.03 (1); and to create 100.03 (1) (b) of the statutes, relating to food processors' security for payment of farm products purchased.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 100.03 (1) of the statutes is renumbered 100.03 (1) (a).

SECTION 2. 100.03 (1) (b) of the statutes is created to read:

100.03 (1) (b) No operator of a food processing plant, for which a license is required by s. 97.06, shall, through a subsidiary or affiliate

as herein defined, buy or otherwise take title to or possession of any farm product for which the producer thereof has not been paid the full agreed price, unless the applicant shall first satisfy the department that the financial condition of such subsidiary or affiliate is such as to reasonably assure prompt payment to such producers of the farm product processed by the applicant, in accordance with the contract between such producers and such subsidiary or affiliate. The term "subsidiary or affiliate" shall include any person who is a partner in an applicant partnership or is an officer or has a controlling interest in an applicant corporation, and any partnership of which the applicant is a partner, and any corporation controlled by the applicant, and any corporation controlled by the same person or persons controlling the applicant. In any case where the department is not satisfied that the financial condition of such subsidiary or affiliate reasonably assures such prompt payment, or finds that the current financial position of such subsidiary or affiliate is not accurately shown by the statement filed with the department, it may require as a condition to the issuance of a license that the applicant guarantee such payment to such producers by such subsidiary or affiliate and may require in addition to such guarantee that the applicant furnish bond or security as provided in sub. (2), conditioned upon the performance of such guarantee.

Approved June 29, 1955.
